

PROPOSED (6/22/04)

[Issuance Date]

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

04-xxxE CAB
File No. 0089-04

Mr. Wade K. Nakashima
Manager
Supply and Distribution - Hawaii
Tesoro Hawaii Corporation
431 Kuwili Street, 2nd Floor
Honolulu, Hawaii 96817

Dear Mr. Nakashima:

Subject: Amendment of Covered Source Permit (CSP) No. 0089-01-C
Significant Modification Application No. 0089-04
Tesoro Hawaii Corporation
Maui Petroleum Bulk Loading Terminal
Located at: 140- A Hobron Avenue, Kahului, Maui
Date of Expiration: July 22, 2007

In accordance with Hawaii Administrative Rules, Chapter 11-60.1, and pursuant to your application for a Significant Modification dated May 10, 2004, and additional information dated May 20, 2004, the Department of Health hereby amends Covered Source Permit (CSP) No. 0089-01-C issued to Tesoro Hawaii Corporation on July 23, 2002. The amendment allows the storage of gasoline in the existing petroleum storage tank no. 3.

The enclosed amended Attachment IIA: Special Conditions for the Storage Tanks, supersedes the corresponding Attachment IIA issued with CSP No. 0089-01-C dated July 23, 2002. All other permit conditions issued with CSP No. 0089-01-C dated July 23, 2002 shall not be affected and shall remain valid.

A receipt for the application filing fee of \$1,000.00 is enclosed.

If there are any questions regarding these matters, please contact Mr. Darin Lum of the Clean Air Branch at (808) 586-4200.

Sincerely,

THOMAS E. ARIZUMI, P.E., CHIEF
Environmental Management Division

DL:lk
Enclosures
c: Blake Shiigi, EHS - Maui
CAB Enforcement Section

**ATTACHMENT IIA: SPECIAL CONDITIONS FOR THE STORAGE TANKS
COVERED SOURCE PERMIT NO. 0089-01-C**

[Issuance Date]

Expiration Date: July 22, 2007

In addition to the standard conditions of the Covered Source Permit, the following special conditions shall apply to the permitted facility:

Section A. Equipment Description

1. Attachment IIA of this permit encompasses the following equipment and associated appurtenances:
 - a. One (1) 45,000 barrel internal floating roof petroleum storage tank, no. 1;
 - b. One (1) 30,000 barrel internal floating roof petroleum storage tank, no. 3;
 - c. One (1) 15,000 barrel internal floating roof petroleum storage tank, no. 5 (6024);
 - d. One (1) 20,000 barrel internal floating roof petroleum storage tank, no. 6 (6026); and
 - e. One (1) 15,000 barrel internal floating roof petroleum storage tank, no. 7 (6028).
2. The permittee shall stencil or permanently attach an identification tag or nameplate on each tank which identifies the tank number. The stenciling, identification tag or nameplate shall be on the tank at a conspicuous location.

(Auth.: HAR §11-60.1-3)

(Auth.: HAR §11-60.1-5)

Section B. Applicable Federal Regulations

1. The internal floating roof petroleum storage tanks, nos. 1, 3, 5, 6 and 7 are subject to the provisions of the following federal regulations:
 - a. 40 CFR Part 60, Standards of Performance for New Stationary Sources, Subpart A - General Provisions;
 - b. 40 CFR Part 60, Standards of Performance for New Stationary Sources, Subpart Kb - Standards of Performance for Volatile Organic Liquid Storage Vessels (including Petroleum Liquid Storage Vessels) for which Construction, Reconstruction, or Modification Commenced after July 23, 1984. The permittee shall comply with all applicable provisions of these standards, including all emission limits and all notification, testing, monitoring, and reporting requirements. The major requirements of these standards are detailed in the special conditions of this permit.

(Auth.: HAR §11-60.1-3, §11-60.1-90, §11-60.1-161, 40 CFR 60.2, 40 CFR 60.110b)¹

Section C. Operational Limitations

1. Petroleum storage tanks nos. 1, 3, 5, 6 and 7 shall have a fixed roof with an internal floating roof and shall meet the following specifications:
 - a. The true vapor pressure of the volatile organic liquid (VOL) stored shall be maintained below 11.1 psia (76.6 kPa) at all times. Determination of the true vapor pressure shall be done according to an applicable method specified in NSPS, Subpart Kb.
 - b. The internal floating roof shall rest or float on the liquid surface (but not necessarily in complete contact with it) inside a storage tank that has a fixed roof. The internal floating roof shall be floating on the liquid surface at all times, except during initial fill and during those intervals when the storage tank is completely emptied or subsequently emptied and refilled. When the roof is resting on the leg supports, the process of filling, emptying, or refilling shall be continuous and shall be accomplished as rapidly as possible.
 - c. The petroleum storage tanks shall be equipped with one of the following closure devices between the wall of the storage tank and the edge of the internal floating roof:
 - i. A foam or liquid-filled seal mounted in contact with the liquid (liquid-mounted seal);
 - ii. Two seals mounted one above the other so that each forms a continuous closure that completely covers the space between the wall of the storage tank and the edge of the internal floating roof. The lower seal may be vapor-mounted, but both must be continuous; or
 - iii. A mechanical shoe seal.
 - d. In addition, the petroleum storage tanks shall meet the following specifications:
 - i. Each opening in a noncontact internal floating roof except for automatic bleeder vents (vacuum breaker vents) and the rim space vents is to provide a projection below the liquid surface.
 - ii. Each opening in the internal floating roof except for leg sleeves, automatic bleeder vents, rim space vents, column wells, ladder wells, sample wells, and stub drains is to be equipped with a cover or lid which is to be maintained in a closed position at all times (i.e., no visible gap) except when the device is in actual use. The cover or lid shall be equipped with a gasket. Covers on each access hatch and automatic gauge float well shall be bolted except when they are in use.

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- iii. Automatic bleeder vents shall be equipped with a gasket and are to be closed at all times when the roof is floating except when the roof is being floated off or is being landed on the roof leg supports.
- iv. Rim space vents shall be equipped with a gasket and are to be set to open only when the internal floating roof is not floating or at the manufacture's recommended setting.
- v. Each penetration of the internal floating roof for the purpose of sampling shall be a sample well. The sample well shall have a slit fabric cover that covers at least 90 percent of the opening.
- vi. Each penetration of the internal floating roof that allows for passage of a column supporting the fixed roof shall have a flexible fabric sleeve seal or a gasketed sliding cover.
- vii. Each penetration of the internal floating roof that allows for passage of a ladder shall have a gasketed sliding cover.

(Auth.: HAR §11-60.1-3, §11-60.1-39, §11-60.1-90, §11-60.1-161, 40 CFR 60.112b)¹

Section D. Monitoring and Recordkeeping Requirements

1. The permittee shall comply with the requirements of 40 CFR Part 60 Section 60.113b(a), including the following:
 - a. Visually inspect the internal floating roof, the primary seal, and the secondary seal (if one is in service), **prior to filling the petroleum tank with VOL.**
 - b. Visually inspect the internal floating roof, the primary seal, the secondary seal (if one is in service), gaskets, slotted membranes and sleeve seals (if any) each time the petroleum storage tank is **emptied and degassed.**

(Auth.: HAR §11-60.1-3, §11-60.1-11, §11-60.1-90, §11-60.1-161, 40 CFR 60.113b, SIP §11-60-15)^{1,2}

2. Records showing the dimensions (feet) of each petroleum storage tank and the analysis showing the capacity (cubic feet) of each storage tank shall be maintained for the life of the tanks.

(Auth.: HAR §11-60.1-3, §11-60.1-11, §11-60.1-90, §11-60.1-161, 40 CFR 60.116b, SIP §11-60-15)^{1,2}

3. Records shall be maintained on the type of VOL stored, the period of storage, and the maximum true vapor pressure (Kpa) of the VOL stored during the respective storage period. Determination of the maximum true vapor pressure shall be in accordance with 40 CFR Part 60, Section 116b(e). Records shall be maintained on a monthly basis.

(Auth.: HAR §11-60.1-3, §11-60.1-5, §11-60.1-11, §11-60.1-90, §11-60.1-161, 40 CFR 60.116b, SIP §11-60-15)^{1,2}

4. The permittee shall keep a record of each inspection performed as required by 40 CFR Part 60, Section 60.113b(a). Each record shall identify the petroleum storage tank on which the inspection was performed and shall contain the date the tank was inspected and the observed condition of each component of the control equipment (seals, internal floating roof, and fittings).

(Auth.: HAR §11-60.1-3, §11-60.1-5, §11-60.1-11, §11-60.1-90, §11-60.1-161, 40 CFR 60.115b, SIP §11-60-15)^{1,2}

5. The permittee shall maintain and operate a tank gauging system for each petroleum storage tank to monitor the throughput of petroleum product for the purpose of calculating annual emissions.

(Auth.: HAR §11-60.1-3, §11-60.1-5, §11-60.1-11, §11-60.1-90, SIP §11-60-15)²

6. All records, including support information, shall be maintained at the facility for at least five (5) years including all maintenance records, and all reports required by the permit. These records shall be in a permanent form suitable for inspection and made available to the Department of Health or their representative upon request.

(Auth.: HAR §11-60.1-3, §11-60.1-11, §11-60.1-90)

Section E. Notification and Reporting Requirements

1. The permittee shall furnish reports to the Department of Health in accordance with 40 CFR Part 60, Section 60.115b(a).

(Auth.: HAR §11-60.1-3, §11-60.1-11, §11-60.1-90, §11-60.1-161, 40 CFR 60.115b, SIP §11-60-15)^{1,2}

2. The permittee shall notify the Department of Health in writing at least **thirty (30) days** prior to filling or refilling of petroleum storage tanks nos. 1, 3, 5, 6 or 7 for which an inspection is required pursuant to 40 CFR Part 60, Section 60.113b(a)(1) and (a)(4). If the inspection required by 40 CFR Part 60, Section 60.113b(a)(4) is unplanned and the required **thirty (30) day** advance notice cannot be given, the permittee shall notify the Department of Health at least **seven (7) days** prior to the refilling of a tank. Notification shall be made by

telephone followed immediately by written documentation demonstrating why the inspection was unplanned. Alternatively, this notification including the written documentation may be made in writing and sent by express mail, so that the Department of Health receives the notice at least **seven (7) days** prior to the refilling.

(Auth.: HAR §11-60.1-3, §11-60.1-11, §11-60.1-90, §11-60.1-161, 40 CFR 60.113b, SIP §11-60-15)^{1,2}

3. The permittee shall submit **semi-annually** the following written report to the Department of Health. The report shall be submitted **within sixty (60) days after the end of each semi-annual calendar period (January 1 to June 30 and July 1 to December 31)**, and shall include the following:
 - a. Type of VOL stored in each tank, the dates of storage, and the maximum true vapor pressure (Kpa) of the VOL stored during the respective storage period by month for each tank.
 - b. Deviations from permit requirements shall be clearly identified.

(Auth.: HAR §11-60.1-3, §11-60.1-11, §11-60.1-90)

4. The permittee shall report (in writing) **within five (5) working days any deviations from permit requirements**, including those attributable to upset conditions, the probable cause of such deviations and any corrective actions or preventative measures taken. Corrective actions may include a requirement for additional stack testing, more frequent monitoring, or could trigger implementation of a corrective action plan.

(Auth.: HAR §11-60.1-3, §11-60.1-15, §11-60.1-16, §11-60.1-90)

5. Annual Emissions

As required by Attachment IV and in conjunction with the requirements of Attachment III, Annual Fee Requirements, the permittee shall submit on an **annual basis** the total tons/yr. emitted of each regulated air pollutant, including hazardous air pollutants. The reporting of annual emissions is due **within sixty (60) days after the end of each calendar year**. The enclosed **Annual Emissions Report Form: Internal Roof Storage Tank**, shall be used in reporting.

Upon written request of the permittee, the deadline for reporting of annual emissions may be extended, if the Department of Health determines that reasonable justification exists for the extension.

(Auth.: HAR §11-60.1-3, §11-60.1-90)

6. Compliance Certification

During the permit term, the permittee shall submit at least **annually** to the Department of Health and U.S. EPA Region 9, **Attachment V: Compliance Certification**, pursuant to HAR §11-60.1-86. The permittee shall indicate whether or not compliance is being met with each term or condition of this permit. The compliance certification shall be submitted **within ninety (90) days after the end of each calendar year**, and shall be signed and dated by a responsible official. The compliance certification shall include, at a minimum, the following information:

- a. The identification of each term or condition of the permit that is the basis of the certification;
- b. The compliance status;
- c. Whether compliance was continuous or intermittent;
- d. The methods used for determining the compliance status of the source currently and over the reporting period;
- e. Any additional information indicating the source's compliance with any applicable enhanced monitoring and compliance certification including the requirements of Section 114(a)(3) of the Clean Air Act or any applicable monitoring and analysis provisions of Section 504(b) of the Clean Air Act; and
- f. Any additional information as required by the Department of Health including information to determine compliance.

Upon written request of the permittee, the deadline for submitting the compliance certification may be extended, if the Department of Health determines that reasonable justification exists for the extension.

(Auth.: HAR §11-60.1-4, §11-60.1-86, §11-60.1-90)

7. Notification and reporting pertaining to the following events shall be done in accordance with Attachment I, Standard Condition Nos. 16, 17 and 25, respectively:

- a. *Intent to shut down air pollution control equipment for necessary scheduled maintenance;*
- b. *Emissions of air pollutants in violation of HAR, Chapter 11-60.1 or this permit (excluding technology-based emission exceedances due to emergencies); and*
- c. *Permanent discontinuance of construction, modification, relocation, or operation of the facility covered by this permit.*

(Auth.: HAR §11-60.1-3, §11-60.1-5, §11-60.1-8, §11-60.1-15, §11-60.1-16, §11-60.1-90)

Section F. Agency Notification

1. Any document (including reports) required to be submitted by this Covered Source Permit shall be in accordance with Attachment I, Standard Conditions, Condition No. 29.

(Auth.: HAR §11-60.1-4, §11-60.1-90)

¹ The citations to the Code of Federal Regulations (CFR) identified under a particular condition, indicate that the permit condition complies with the specified provision(s) of the CFR. Due to the integration of the preconstruction and operating permit requirements, permit conditions may incorporate more stringent requirements than those set forth in the CFR.

² The citations to the State Implementation Plan (SIP) identified under a particular condition, indicate that the permit condition complies with the specified provision(s) of the SIP.